

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JUNE 26, 2007

The meeting of the State Properties Committee was called to order at 9:59 a.m. by Chairman Kevin Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard B. Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member; and John A. Pagliarini, Public Member. Others in attendance were Gerald Ratigan from the Rhode Island House of Representatives; Mary Kay, John Faltus, Steven Wright, Joseph Dias and Barbara Morin from the Rhode Island Department of Environmental Management; Tim Harris, Anthony DeQuattro, Robert B. Jackson, Paul Carcieri, Daniel Clarke, Melissa Long from the Rhode Island Department of Transportation; Marlene McCarthy-Tuohy, John Ryan and Kevin Nelson from the Rhode Island Department of Administration; Deborah Barclay from the Rhode Island Department of Human Services; Rick Baccus from the Rhode Island Department of Mental Health, Retardation and Hospitals; Robert Bromley from the Rhode Island Senate Fiscal Office; Xaykham Khamsyvoravong from the Rhode Island Office of the General Treasurer; Anthony DiGiulio from the Providence Fire Department; Robert Mowry from the Office of the State Fire Marshal; Jack Landers and Jim Berard for Division of Informational Technologies; Tereann Greenwood From the Veterans Memorial Auditorium; Jenny Peek and Lynne McCormick Providence Office of

Cultural Affairs; Patrick B. McEneaney from the Phoenix Houses of New England; Bernard Jackvony from Moses, Afonso, Jackvony, Ltd.; Robert Gaudreau, Jr. from PPG Hill, LLC;
Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the regular minutes of the State Properties Committee meeting held on Tuesday, June 12, 2007, by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM N– Department of Environmental Management – A request was made for approval of and signatures on a License Agreement between the Department of Environmental Management and Interstate Navigation Co. Ms. Kay explained that the License Agreement has been in place for the past thirteen (13) years and is for the utilization of Pier No. 3 at Fort Adams State Park in Newport, Rhode Island. Interstate Navigation Co. will use the northern side and end of Pier No. 3 to provide short term docking space for the embarking and disembarking of passengers for daily ferry service between Newport and Block Island. The ferry service is regulated by the Public Utility Commission. The License Agreement will run from June 30, 2007, up to and including September 3, 2007. The 2007 license fee is \$10,010.00. The fee has been increased by 3.2% over last year based upon the Consumer Price Index increase for 2006.

The ferry departs from Newport at approximately 9:00 a.m. and returns to Fort Adams State Park at approximately 6:30 p.m. Ms. Kay provided the State Properties Committee with the Certificates of

Disclosure, Authority and Insurance. Chairman Flynn asked how many round trips the ferry service makes per day. Ms. Kay indicated that the ferry made just one round trip per day. Mr. Kay asked what the amount of liability insurance coverage is. Ms. Kay indicated that Interstate Navigation Co. has liability insurance coverage in the amount of for \$9,000,000. A motion was made to approve by Mr. Griffith and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM A – Department of Administration – A request was made for permission to have property appraised and to initiate negotiations with E-Business Properties, LLC for the acquisition of a new centralized State Data Center. Mr. Ryan explained that on March 20, 2007, the State Properties Committee granted permission for the Department of Administration, Division of Capital Projects to advertise a request for proposals to acquire a property to replace the current Information Technologies' building located on Hartford Avenue in the Town of Johnston. Two proposals were submitted in response to the request for proposals. One was from E-Business Properties, LLC for property located at 88-90 Royal Little Drive in the City of Providence and the other from Harborside Park II, LLC for property located on Pawtucket Avenue in the City of East Providence.

Mr. Ryan indicated that the Review Committee reviewed and scored the said proposals and chose E-Business Properties, LLC as the successful proposal. The Department of Administration is now seeking permission to obtain an appraisal of the property and initiate negotiations with E-Business Properties, LLC for the acquisition of

said property. If said negotiations are successful, the Department of Administration will return to the State Properties Committee for approval of and signatures on a purchase and sale agreement. Chairman Flynn noted from the action request form that an appraisal of the subject property will be conducted by Adolfo Appraisal Associates. Chairman Flynn also noted that E-Business Properties, LLC's proposal includes a suggested sale price. Mr. Ryan explained that the Department of Administration requested said information 1as part of the request for proposals. However, the request for proposals made it clear that the Department of Administration will conduct due diligence, which will include obtaining an appraisal and a structural inspection of the subject property. Mr. Landers indicated that due diligence was performed relative to both proposals. Mr. Landers stated that the Harborside Park II, LLC's property is the site of the former FRAM Corporation, which has been vacant for numerous years. Harborside Park II, LLC submitted a proposal to sell said property for a purchase price of \$1,000,000. Mr. Landers explained that the Department of Administration's internal architects attempted to inspect said building; however, they were denied access due to the black mold in the building. The staff architects at the Department of Administration then established an estimate of \$19,000,000, to rehabilitate that building to something comparable to the E-Business LLC building. In view of said estimate, the Department of Administration believes it has scored and selected the E-Business LLC's property appropriately. Chairman Flynn clarified that the Department of Administration is not making any commitment to the

\$7,000,000 purchase price proposed for the E-Business LLC property.

Mr. Landers explained that the Department of Administration is seeking permission to enter into negotiations with E-Business LLC once an appraisal of the property has been conducted. Mr. Kay asked how much funding is available for this acquisition. Mr. Landers indicated that there is approximately \$9,000,000 allocated for the acquisition of a new Centralized Data Center. Mr. Ryan explained that said funds will also be utilized for upgrading equipment, moving expenses and security improvements. Mr. Pagliarini noted that the action request form indicated that the subject property is zoned M-1, which in the City of Providence permits adult entertainment. Mr. Pagliarini asked what the nature of the neighboring businesses is. Mr. Ryan indicated that the property is located in an industrial park. The neighboring businesses include the American Automobile Association and a medical/health group is next to the subject property. Mr. Pagliarini asked if any portion of the facility will be rented. Mr. Ryan indicated that Information Technologies will utilize the entire building. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for conceptual approval to convey 32,000 square feet of land located on Spruce Street along the 6/10 Connector. Mr. Carcieri indicated that the Department of Transportation is seeking conceptual approval to convey the subject property to PPG Hill, LLC. Mr. Carcieri presented photographs of the property for review by the State Properties

Committee. Mr. Carcieri introduced Bernard Jackvony, legal counsel to PPG Hill, LLC and The Property Advisory Group, Inc., Robert Gaudreau, Jr., Principal Officer of PPG Hill, LLC, Thomas Deller, Director of Planning for the City of Providence and Anthony DeQuattro from the Department of Transportation's Real Estate Office. Mr. Carcieri explained that the subject property was acquired by condemnation approximately fifteen (15) years ago for the 6/10 Connector project and has now been declared excess to the Department of Transportations needs. PPG Hill, LLC has approached the Department of Transportation's to purchase the subject property. PPG Hill, LLC is constructing a commercial and residential condominium unit, which is located approximately two (2) blocks from the subject property and has expressed an interest in the subject property as the site of a parking garage to accommodate its development. Mr. Carcieri explained that PPG Hill, LLC is proposing to provide fifty (50) free public parking spaces to vendors and visitors of the Federal Hill area between the hours of 9:00 a.m. and 5:00 p.m. daily should it be allowed to purchase said property. Mr. Jackvony explained that PPG Hill, LLC is an affiliate of the Property Advisory Group, Inc. The Property Advisory Group, Inc., through its affiliates, acquires, develops and manages investment grade residential and commercial properties throughout the United States inclusive of 500 low-income subsidized apartment units in the City of Providence. Mr. Jackvony indicated that the Property Advisory Group, Inc. is now developing the former Rialto Furniture Company building into a Walgreen's Pharmacy, which faces Atwells Avenue. There will also

be 2,800 feet of commercial space on Spruce Street, which will help meet the City's Planners vision to have more commercial development along Spruce Street. Property Advisory Group, Inc. is constructing twenty-four (24) condominium units. Although the Providence Planning Department has received numerous proposals for myriad projects to be constructed on Federal Hill, the only one to come to fruition is the Properties Advisory Inc's project. Mr. Jackvony explained that PPG Hill, LLC would like to purchase the subject property at fair market value and then work with the City of Providence to decide what type of development should be constructed on the property. Mr. Jackvony indicated that the merchants along Atwells Avenue are very supportive of this project and welcome the idea of fifty (50) additional public parking spaces. Mr. Jackvony indicated there is a significant need for additional parking on Atwells Avenue to ease the parking problems between the business hours of 9:00 a.m. and 5:00 p.m. for the stores and restaurants located in that area. Mr. Deller stated that when the City of Providence examines a proposal such as the PPG Hill, LLC's project, the City considers a many variables. The City of Providence needs to strengthen its commercial neighborhoods and be economically viable in order to support the necessary services it provides. Mr. Deller explained that the City of Providence is always working to bring property back on its tax roll. Mr. Deller indicated that as thirty five (35%) percent of the City's tax base is tax exempt, it is difficult to make ends meet. Mr. Deller stated that over ten (10%) percent of the City's land consists of public rights-of-ways and

easements, from which no tax dollars are generated. Mr. Deller also indicated that the Federal Hill area of Providence is in need of parking. Mr. Deller believes the PPG Hill, LLC's project an opportunity to meet a series of the City of Providence's goals by providing additional public parking spaces and placing property back on the City's taxroll. Mr. Deller explained that the City of Providence initially examined the idea of utilizing the property for parking only. However, parking facilities are very expensive to build and there is little return income realized from such an investment. Thus, a mixed-use project is the best plan when trying to develop parking. Mr. Deller explained that the City of Providence met with PPG Hill, LLC to discuss how it could bring some of the vitality of Atwells Avenue back to Spruce Street. Mr. Deller explained that Caserta's Pizza, Café Christine and Pastiche, which are located on Spruce Street, are prospering and the City of Providence needs to build off that commercial base. Mr. Deller noted that the City of Providence is also in need of work-force housing, which is housing for people who earn approximately one hundred twenty (120%) percent to one hundred forty (140%) percent of the median family income. Chairman Flynn stated that the State Properties Committee acknowledges that the subject property is surplus property, which can be sold. Chairman Flynn also indicated that the issue at hand is whether the subject property should be conveyed via a sole source sale. Chairman Flynn believes that as the subject property is a large site by the City's standards with frontage on a commercial street and with visibility from major a highway, Chairman's Flynn believes it is

most appropriate to offer the subject property for sale via a request for proposals. Mr. Jackvony indicated that PPG Hill, LLC and the City of Providence initially discussed building a structure, but determined it would not be economically beneficial unless PPG Hill, Inc. received a substantial discount from the State of Rhode Island. The State of Rhode Island indicated the property would be sold at fair market value. Mr. Jackvony explained that when and if PPG Hill, LLC were to purchase the subject property at fair market, it would already have a diminished value; therefore, PPG Hill LLC has to negotiate to develop a project, which would be economically sound. Mr. Jackvony stated that he believes the Property Advisory Group, Inc. has credibility with the City of Providence because it sought approval and is building the Walgreen's Pharmacy project. The Walgreen's Pharmacy project will be complete in the spring with the residential units. Mr. Jackvony reiterated that the Property Advisory Group, Inc.'s project is the only one of many projects, which was proposed and approved. Chairman Flynn stated that he was not making the connection between the Walgreen's Pharmacy project and the Spruce Street project. Chairman Flynn commented that it seems to him that the Walgreen's Pharmacy project had to have been approved by the City of Providence without an understanding that the subject property, which the Property Advisory Group, Inc. does not own, would be part of that project approval. Mr. Pagliarini explained that what he is hearing Mr. Jackvony say is that the Property Advisory Group, Inc. put its money up and that it's gone into an area that other developers only talked about developing, but the Property Advisory Group, Inc has walked

the walk. Chairman Flynn stated that he did not want to confuse the issue as to the Walgreen's Pharmacy project, as admirable as it is, was not built with the premise that the subject property had to be acquired for parking. Chairman Flynn indicated that had that been the case, then the order is reversed here. Mr. Jackvony addressed Chairman Flynn's inquiring by indicating that initially the plans for the structure were slightly different and there may have been a need for off site parking and that is when PPG Hill, LLC commenced discussions with the State of Rhode Island about having a need for overflow parking at this facility and have some additional parking for public use with the City of Providence. Mr. Jackvony stated that the scaled down version reduced the parking requirement and PPG Hill, LLC was able to accommodate that without the additional cost of going down two (2) levels under the structure. For the reasons stated above, Mr. Jackvony and his client consider the two projects connected. However, what Mr. Jackvony and his client believe is more important is that part of the City of Providence's vision is to develop Federal Hill as an economically viable community with residential housing for middle income residents. Mr. Jackvony indicated that if the subject property is offered at a public bid as opposed to negotiating the fair market value, it is going to be very difficult to know what this parking component should or should not be. Chairman Flynn stated that if the subject property is offered at public sale via an request for proposals, which indicates what the City of Providence is looking for relative to the property and if this Committee agreed to said conditions in a request for proposals,

which would be the Committee's preview, then how would it not be unknown to any interested party what the desires of the State of Rhode Island and the City of Providence are. Mr. Jackvony agreed that that the desires of the State of Rhode Island and the City of Providence can be delineated in a request for proposals; however, the problem is whether another interested party will be committed to developing a suitable project within a particular timeframe. Chairman Flynn commented that the request for proposal process will answer that very question. Mr. Jackvony respectfully disagreed with the Chairman Flynn's position. Mr. Jackvony indicated that it is his belief that the City of Providence prefers to deal with developers that have a track record and will comply with the City's vision and comprehensive plan. Mr. Jackvony reminded the Committee that the Property Advisory Group, Inc. is now invested on Atwells Avenue. The Property Advisory Group, Inc. has made a substantial investment that will be beneficial to the Federal Hill area. Mr. Jackvony stated that as there are uncertainties associated with a request for proposals, there are circumstances in which you get more money on a negotiated purchase than on a request for proposal. Mr. Deller stated that the benefits of a negotiated purchase is that the State of Rhode Island is assured it is obtaining the fair market value for the property, it knows that the developer understands the limitation of the site and the cost of developing said property. The subject property is an odd shaped sloping parcel of land, which will require a major retaining wall and that may, in it of itself, may provide you with a greater purchase price than if the property is offered via a request for

proposals. Mr. Carcieri commented that the presentation memorandum does not close the door to a request for proposals and the Department of Transportation was very deliberate in its wording of the memorandum. The State of Rhode Island has obviously made no obligation or promise to PPG Hill, LLC. However, one thought to consider is that the appraised value of the property is \$704,000, which reflects \$22.00 per square foot. Mr. Carcieri indicated that the appraised value does not reflect the fifty (50) free public parking spaces. Therefore, in effect, PPG Hill, LLC will be paying a premium beyond market value; not only paying full price, but suffering the loss of fifty (50) parking spaces daily for free use. Mr. Carcieri agreed that such a condition could be incumbent upon a respondent in a request for proposals; however there is no guarantee. Mr. Carcieri also indicated that because of the slope of the subject property, Department of Transportation Design Section, in reviewing plans for the parking garage, imposed some very stringent qualification regarding the building design and the retaining wall. Those unusual engineering requirements will, of course, be at the developer's expense in addition to the capital improvement itself. Mr. Carcieri stated that although the circumstances may not entirely justify circumventing the request for proposal process, they are certainly mitigating factors in PPG Hill, LLC's favor. The obverse is to offer a property requiring peculiar engineering and to inform respondents that they will suffer a fifty (50) parking space per diem reduction. Chairman Flynn indicated that Mr. Carcieri is assuming that the request for proposals will include the fifty (50) parking space loss as

a condition; however, Chairman Flynn is not making that assumption.

Chairman Flynn stated that any party that bids on the subject property through a request for proposals process will not be roped into that condition. The concession of the fifty parking spaces is a proposal worthy of discussion, but not necessarily an absolute condition. Mr. Griffith asked why the appraised value of \$704,000 is not provided to the State Properties Committee via an updated action request form. Mr. Griffith stated that as the subject property was acquired by condemnation the property will have to be offered to the former owner and the municipality at the tendered purchase price. Again, there is nothing preventing the City of Providence purchasing the property at the purchase price. Mr. Griffith commented that in the current climate, he believes the State Properties Committee has to be very leery of any transfer that may have the slightest perception of being a sweetheart deal. Mr. Jackvony objected to the insinuation that this transfer can, in anyway, be qualified as a "sweetheart deal." Mr. Griffith indicated that he was not insinuating that the conveyance of the subject property to PPG Hill, LLC is a sweetheart deal; however, Mr. Griffith stated that he does not write the headlines in the newspaper and there are individuals who will be delighted to make that allusion, especially where the Department of Transportation is concerned. Mr. Griffith indicated that he does not see the case for a private sale of this property. Mr. Jackvony addressed Chairman Flynn's early comment that there is not a significant need for additional parking along Atwells Avenue during the daytime hours. Mr. Jackvony indicated that in the evening hours virtually every

restaurant provides valet parking. However, during the business day, valet parking is not available. Mr. Jackvony indicated that the employees of the Federal Hill businesses also have to park during the daytime hours. Mr. Jackvony stated that while he understands that the State Properties Committee is charged with the responsibility of obtaining a fair price for the property to defend the value for the people of Rhode Island. Mr. Jackvony also believes that the State of Rhode Island should give some deference to the need of the City of Providence, the opinions of the City and its professional planning staff as to what it believes is best for the continued development of the Capitol City. Chairman Flynn stated that the State of Rhode does consider the needs and desires of the City of Providence and that is specifically the reason for his requesting correspondence from the City of Providence and also that a representative of the City attend this meeting. Chairman Flynn noted that neither Mr. Deller's letter nor the presentation memorandum from the Director of the Department of Transportation request that the subject property be conveyed as a sole source sale. Mr. Kay indicated that as the request before the State Properties Committee is for conceptual approval and in view of the City of Providence's support of this project, he does not see any reason to not grant conceptual approval for PPG Hill, LLC to purchase the subject property as a sole source. Mr. Woolley asked Mr. Carcieri what the current situation along Spruce Street is in terms of parking. Mr. Carcieri stated that Spruce Street is narrow; it is an old world street with stacking on both sides. Mr. Carcieri indicated at the lower end where Spruce Street intersects with Dean Street there

are approximately thirty (30) angled parking spaces available. Mr. Woolley asked if there was parking along the street in front of the subject property. Mr. Carcieri indicated that that he would estimate the frontage on the subject property to be approximately two hundred ten (210') feet. Mr. Woolley if said parking is angle or parallel parking.

Mr. Carcieri stated it is parallel parking. Mr. Woolley asked if the appraisal of the subject property is an internal appraisal and when it was conducted. Mr. Carcieri indicated that it is an internal appraisal and was conducted in November of 2006. Mr. Pagliarini indicated that he understood the Chairman's concerns regarding procedure. However, he believes that the process, which is being proposed by PPG Hill, Inc., gets the City of Providence where it wants to be with certainty and sooner then if this property is sold via the request for proposal process. Mr. Pagliarini indicated that he is concerned that the State receives fair market value for the parcel of land. Mr. Pagliarini is not overly concerned with the restrictions the City places on the property and the number of parking spaces and the hours. However, as a consumer who drove in circles around Caserta's Pizza looking for a parking space, he agrees that parking is definitely needed in this area. Mr. Pagliarini also supports any effort to bring vitality to this area. Mr. Pagliarini commented that the Walgreen's Pharmacy is an impressive structure. Mr. Pagliarini indicated that with regard to the issue of a sole source sale, he indicated that as the subject property is a severely sloped parcel of land, PPG Hill, LLC has gone through a very public process to get to this point, it has the endorsement of the City of Providence Planning Department and the

Mayor's office and has shown that it is willing to better an area that needs improvement and while he does not believe sole source is the best in every situation, he does not feel that his making a motion to put this property out as a sole source is going to put himself, the State Properties Committee or the State of Rhode Island in any peril. Mr. Pagliarini stated that due to an action by the State of Rhode Island, The Procaccianti Group has chosen to walk away from a contract to purchase Newport Grand. He does not want to see The Property Advisory Group, Inc. group walk away from this project due to the actions of the State. A motion was made by Mr. Pagliarini to approve the conveyance of the subject property to PPG Hill, LLC as a sole source sale. The motion was seconded by Mr. Kay.

Under discussion, Mr. Griffith asked if the Department of Transportation negotiates a purchase and sale agree as a sole source, is the Department still required to offer the property for sale to the former owner. Mr. Carcieri indicated that the Department is absolutely required to offer the property for sale to the former owner. Mr. Woolley asked what, if any, effort has been made to find out if any other developers or parties are interested in the subject property. Mr. Carcieri indicated that the Department of Transportation simply responded to a letter of interest from the applicant. Mr. Carcieri indicated that the Department of Transportation has not conducted any field test relative to the property. Mr. Carcieri stated that the Department did not reach out to any other party, nor did any other party reach in. Chairman Flynn indicated that for a party to reach in it would have to have clairvoyant power to know the State of Rhode

Island is considering selling the subject property; therefore, he does not consider that an acceptable response. Mr. Chairman indicated that he is going to vote to deny the transfer of this property as a sole source sale. Chairman Flynn explained State Properties Committee has a duty to ensure that the State of Rhode Island obtains the best and highest value for State-owned property. Chairman Flynn explained that he has no objection to the uses being proposed for the site; however, he is not convinced that the conveyance of this property as a sole source sale to PPG Hill, LLC will ensure that the State of Rhode Island will obtain the best and highest value for the property. Chairman Flynn stated that the City of Providence has the option to purchase this property and offer it for sale as a sole source to any party it chooses. Chairman Flynn reiterated that the City of Providence has not requested the State of Rhode Island transfer the subject property as a sole source sale. Again, Chairman Flynn indicated he has no objection to the uses being proposed; his objection is to the circumventing of process. Chairman Flynn stated that a motion to approve the conveyance of the subject property as a sole source sale has been made and seconded. The motion was denied.

Two (2) Votes Aye

Mr. Pagliarini

Mr. Kay

Three (3) Votes Nay

Mr. Woolley

Mr. Griffith.

Chairman Flynn

Mr. Pagliarini asked the Chairman if it is appropriate to move to begin the request for proposal process. Chairman Flynn suggested that an alternative motion be made to allow the subject property to be offered for sale via a request for proposals to be prepared jointly between the Department of Transportation and the City of Providence.

Mr. Griffith asked if it would be appropriate for the Department of Transportation to issue a letter of interest. Chairman Flynn asked Mr. Griffith to clarify his suggestion. Mr. Griffith asked if it would be appropriate for the Department of Transportation to issue a letter of interest to identify the parcel of land as being potentially for sale; therefore, if there is no other interest, the transfer, via a sole source sale could be reconsidered. Chairman Flynn indicated that a request for proposal will speak to the specific conditions associated with the property and reach out to potentially interested parties. Mr. Griffith concurred. Mr. Carcieri asked Chairman Flynn to clarify whether the Department of Transportation is going to market the subject property as buyer take all based upon purchase price or be somewhat

discriminatory in revealing proposals. Chairman Flynn explained that when a request for proposals goes out and conditions are included in said request for proposals, then the issue is not purchase price alone. The issue is meeting the conditions of proposal and the purchase price. Chairman Flynn indicated that is the purpose of a request for proposals for a property where the municipality has a unique interest in how the property is developed. Not necessarily for anything there the zoning might allow but specific uses. Chairman Flynn indicated he is certainly open to working with the City of Providence so that what goes out meets its specifications. It is Chairman Flynn's position that that is the purpose of request for proposal. Mr. Carcieri clarified that the Department of Transportation will be seeking proposal; not bids. A motion was made to grant the Department of Transportation to place the subject property on the market for sale via the request for proposals process with terms and conditions so determined by the Department of Transportation with the guidance of the City of Providence by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

Chairman Flynn clarified that the Department of Transportation will return to the State Properties Committee for review and approval of the Request for Proposal prior it the same being issued.

At Mr. DeQuattro's request, Chairman Flynn allowed Mr. DeQuattro to present Item C out of order.

ITEM C – Department of Transportation – A request was made for conceptual

approval to convey two (2) parcels of land located on Cedar Street and Post Road in the Town of East Greenwich. Mr. DeQuattro presented a map of the subject properties, for review by the State Properties Committee. Mr. DeQuattro indicated that Parcel A consists of 77,200 square feet and Parcel B consists of 61,500 square feet.

Mr. DeQuattro stated that through the State Properties Committee, he received a letter from the Rhode Island Historical Preservation & Heritage Commission regarding the subject properties. The letter indicated that an archeological study of the subject properties must be conducted prior to the property being sold. The purchaser of the properties will be responsible for the cost of said archeological study.

Mr. DeQuattro indicated that both parcels of land are buildable lots. Chairman Flynn asked Mr. DeQuattro to explain how the properties came to the attention of the Department of Transportation. Mr. DeQuattro indicated that the Town of East Greenwich approached the Department of Transportation regarding the subject properties. However, the Town of East Greenwich later informed the Department of Transportation that it did not wish to purchase the properties at this time, but wished to reserve its right of first refusal. Subsequently, the Christ Church approached the Department of Transportation and expressed an interest in purchasing the properties. Mr. Pagliarini indicated that as he is a resident of the Town of East Greenwich, he is somewhat familiar with the subject properties. Mr. Pagliarini indicated that a coalition of individuals in

the community wished to relocate the proposed police station to a portion of the subject properties. However, the surrounding neighborhood opposed the idea. Mr. Pagliarini indicated that Christ Church is in desperate need of additional parking. In fact, due to the lack of available parking, Christ Church is contemplating a relocation.

Mr. Pagliarini indicated that he spoke to Lee Whitaker, the Town of East Greenwich Planner, because he has numerous concerns relative to these properties. Mr. Pagliarini asked Mr. Whitaker if the Town of East Greenwich has an interest in purchasing the property. Mr. Whitaker indicated that the Town did not intend to purchase the property. Mr. DeQuattro indicated that Mr. Whitaker had contacted him as recently as two days ago and asked whether the Town's option to buy the property is still available. Mr. Pagliarini indicated that he vehemently disagreed with the Advisory Report prepared by Mr. Nelson of the Statewide Planning Program. Mr. Pagliarini indicated that the Advisory Report recommends that the State Properties Committee place affordable housing stipulation on these parcels; however, the Town of East Greenwich has not identified the subject properties as appropriate sites for affordable housing. Mr. Pagliarini indicated that the subject properties need to be considered a "gateway" as thousands of the Town's residents exit Goddard Park at this intersection. Mr. Pagliarini explained his opinions relative to the recommendations made in the Advisory Report and indicated that he is not inclined to vote for any request or recommendation which places an affordable housing requirement on the subject properties. Mr. Pagliarini indicated that the Christ Church is in dire need of

additional parking and he would be inclined to vote for a request to sell the subject properties to the church for a highest and best use value. Mr. Pagliarini stated that he did not agree with the policies identified in the Advisory Report and feels that said policies are not applicable to the subject properties. Chairman Flynn indicated that the last page of the Advisory Report, which Mr. Pagliarini unfortunately did not receive, does talk about offering the subject properties to the Christ Church in order for it to expand its parking on Parcel B. Chairman Flynn also indicated that he feels the Advisory Report addresses the fact that there are conflicts associated with the subject properties and that said conflicts need to be weighed against one another. Chairman Flynn also indicated that the Housing Resources Commission has also made a request that the site be considered for affordable housing. Mr. Nelson reminded the State Properties Committee that his role is to provide research and advice relative to State-owned properties. Mr. Nelson stated that there are a number of State Guide Plan elements, which at times will inevitably present conflict. Mr. Nelson stated that it is up to the State Properties Committee to decide, which will take precedent in any one particular case. Mr. Nelson indicated that in this instance there has been a great deal of effort to promote affordable housing in the past couple of years. Mr. Nelson indicated that most of the property, which comes before the State Properties Committee is not suitable for affordable housing; however, in this case the land could be considered for affordable housing and therefore, was highlighted in the Advisory Report. Mr. Nelson indicated that he would be happy to

further research the subject properties and provide the State Properties Committee with more details on a Guide Plan element by element basis for analysis; however, he firmly stands by the substance of his Advisory Report. Mr. DeQuattro informed the Committee that Christ Church wants to utilize Parcel B for additional parking. However, Christ Church is exploring the idea of building a senior daycare center for its parishioners and perhaps for the residents of the Town of East Greenwich on Parcel A. A motion was made to grant conceptual approval to declare the subject properties surplus and to prepare a request for proposals subject to the disturbance assessment suggested by the Rhode Island Historical Preservation & Heritage Commission by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM B – Department of Administration – A request was made for permission to utilize both the Department of Transportation and the Department of Health’s parking lots for the fireworks display in observance of Independence Day 2007. Ms. McCarthy-Tuohy indicated that this request was included on the June 15, 2007 State Properties Committee agenda, but was deferred to today’s meeting. The presenting panel introduces themselves for the record: Jenny Peek and Lynne McCormick from the Providence Department of Arts and Culture Tourism; Anthony DiGiulio from the Office of the Providence Fire Marshal and Robert Mowry from the Office of the State Fire Marshal.

Ms. McCarthy Tuohy indicated that for the past several years the City

of Providence has held a fireworks display using two of the State Office's lots located on Capitol Hill and are once again requesting use of the parking lots for this year's celebration. Ms. McCarthy Tuohy indicated that the Department of Attorney General has received a copy of the subject License Agreement as well as the Certificate of Insurance. Ms. McCarthy Tuohy stated that there is a damage deposit fee of \$750, which is refundable to the City of Providence for the use of the parking lot for said fireworks display. Ms. McCormick indicated that the Department of Art, Culture and Tourism has been working closely with the Office of the State and City Fire Marshal relative to the fire works display. Ms. McCormick indicated that the Department of Art, Culture and Tourism will meet with the City Service Coordinator at a City Service Meeting to coordinate the police details and other necessary services. Ms. McCormick indicated that the Department of Art, Culture and Tourism works with the Providence Police Department to relax the meter parking around the State Offices buildings to accommodate the State employees that may be affected by the use of the parking lots on July 2nd and July 3rd for the fireworks display. Mr. Griffith asked if the Department of Transportation's parking lot will be utilized for closed on July 2nd as well. Ms. McCormick indicated that a portion of the lot will be closed. Mr. Griffith asked what arrangements have been made relative to cleaning up after the Independence Day Celebration. Ms. McCarthy Tuohy indicated that for the past few years Colonial has been engaged to clean up and the State has been satisfied with the company performance. Mr. Griffith recommended that the property

should be inspected by the City of Providence after the celebration.
A motion was to approval was made by

Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM D – Department of Transportation – A request was made for approval and execution of a Lease Agreement between the State of Rhode Island acting by and through the Department of Transportation and The Friends of the Kingstown Railroad Station, Inc. Mr. Clarke explained by way of background that in 1998, the Department of Transportation completed renovation of the Historic Kingston Station, which costs in excess of three million dollars. Shortly thereafter, the Historic Kingston Station entered into an operating agreement with Amtrak to provide train service at the site. Amtrak currently utilizes approximately half of the building for a waiting area, restrooms and a ticket booth. Mr. Clarke indicated that the southern portion of the building which consists of approximately 924 feet was put out for bid for a commercial use. There was no response at that time. Mr. Clarke explained that the building does have some limitations in the sense that the building is historic and cannot be renovated. Mr. Clarke indicated that the Friends of the Kinston Railroad Station, Inc., which is a non-profit organization that fosters the history of trains was allowed to use the premises with a Letter Agreement from the Department of Transportation. The Department of Transportation wishes to formalize a gratis Lease Agreement with this organization to ensure that the proper liability insurance coverage is in place to

indemnify and hold the State of Rhode Island harmless as to liability. The Lease Agreement will allow The Friends of the Kingston Railroad State to continue to utilize the southern portion of the station for its train museum. Mr. Clarke indicated that the organization has been a great tenant and caretaker of the facility for a number of years. Therefore, the Department of Transportation is requesting the approval of and signatures on the Lease Agreement between the State of Rhode Island, acting through the Department of Transportation and The Friends of the Kingston Railroad Station, Inc.

Mr. Pagliarini indicated that he was initially skeptical of a request for a gratis lease agreement. However, after thoroughly researching The Friends of the Kingston Railroad Station, Inc., Mr. Pagliarini was very pleased to learn that this is a good organization doing a good thing and he fully supports approval of the gratis Lease Agreement. Mr. Griffith asked if the Lease Agreement contains a termination clause. Mr. Clarke indicated that the Lease Agreement can be terminated upon one hundred twenty (120) days notice to The Friends of the Kingston Railroad Station, Inc. A motion was made to approve subject to the addition of fire legal liability insurance coverage by Mr. Kay and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Department of Transportation – A request was made for conceptual approval to convey 11,700 square feet of land located on State Street in the City of Providence designated at Plat 2264A, Parcel 6. Mr. Jackson provided the State Properties Committee with a photograph of the subject property for review. Mr. Jackson indicated

that June 6, 2006, a representative of the Department of Transportation secured the approval of the State Properties Committee for an agreement to place the subject property for sale to Boston Investments Partners. Chairman Flynn asked who is using the property at the present time. Mr. Jackson stated that Boston Investment Partners is using the property at this time. Mr. Jackson indicated that the Department of Transportation and Boston Investment Partners entered into a Lease Agreement which was executed on May 9, 2006, for the use of the subject property. The lease fee is \$135 per parking space per month. Chairman Flynn asked who the former owner of the property was. Mr. Jackson indicated that the property was formerly owned by Amtrak. Chairman Flynn asked if the property will be offered to Amtrak prior to a sale of the property. Mr. Jackson indicated that the property will absolutely be offered to Amtrak as required. Chairman Flynn asked if the subject property has been appraised. Mr. Jackson indicated that he requested that the property be appraised approximately one month ago; however, the appraisal has not yet been completed. Mr. Pagliarini asked what the term of the existing Lease Agreement is. Mr. Jackson indicated that he did not have that information available at this time. Mr. Khamsyvoravong asked why the State of Rhode Island could determine any parking spaces located in the area of Capitol Hill in excess of the State's need in view of the shortage of parking spaces currently available for State-employees.

Mr. Khamsyvoravong indicated that there are only three (3) parking

spaces available to the nine (9) employees which work in the General Treasures Office including the General Treasurer himself. Therefore, Mr. Khamsyvoravong questioned how it was determined that the subject property is in excess of the State of Rhode Island's needs. Mr. Woolley concurred with the Mr. Khamsyvoravong's comments. Mr. Woolley believes that these parking spaces should be made available to State employees rather than disposing of them. Both Mr. Pagliarini and Mr. Griffith agreed with the comments of their colleagues. A motion was made to deny conceptual approval to convey 11,700 square feet of land located on State Street in the City of Providence designated at Plat 2264A.

Chairman Flynn asked what the term of the current Lease Agreement is. Mr. Jackson indicated that the Lease Agreement seems to be a month to month agreement.

Mr. Griffith indicated that as he recalled the Department of Transportation required some improvements to the subject property for transportation and circulation purposes and cut out a number of spaces from the original parcel and therefore, the Department of Transportation leased Boston Investment Partners seventeen parking spaces from the upper lot. Mr. Griffith believes that it was the State's intention to eventually sell Boston Investment Partners and make them whole. Chairman Flynn suggested that perhaps the Department of Transportation needs to further investigate this matter and return to the State Properties Committee with more detailed information. Mr. Woolley suggested tabling the request to a future meeting. Mr. Pagliarini indicated that he would recommend that the Department of

Transportation get the subject property back into the State system for State parking in view of the tremendous need for parking in the area. However, Mr. Pagliarini indicated that if the pleasure of the Committee was to table the request, he will withdraw his motion to deny so that more due diligence can be done. Mr. Pagliarini also recommended that a copy of the Lease Agreement be provided to the Committee. Mr. Carcieri indicated that the Lease Agreement is on a month to month basis and Boston Investment Partners' rent became renewable according to the CPI last year, which is part of the appraisal of the property. Mr. Carcieri indicated that indicated that Boston Investment Partners are tenants at will. Mr. Carcieri indicated that although he was not in attendance at the inaugural meeting, it is his understanding that there was a commitment to Boston Investment Partners to sell the subject property to them and a purchase and sale agreement was prepared by the Department of Administration. However, in February of this year, the property came back to the Department of Transportation as it was the acquiring agency. Apparently, some issues had been overlooked in the original presentation and therefore, when the Department of Transportation obtained the property, it started the process from ground zero with a preliminary review and followed the usual procedure for the declaration of any property to be determined in excess to the State's needs. Mr. Carcieri explained that when the Committee makes a determination as to whether property is surplus to the Department of Transportation's needs, it is reviewed from a highway point of view and from a highway perspective the subject property is useless to the

Department of Transportation. Mr. Carcieri also indicated that Boston Investment Partners has been persistently aggressive relative to the purchase of the subject property and they question the current delays. Boston Investment Partners often reminds the Department of Transportation of the purchase and sale agreement and of the commitment they believe exists. Mr. Woolley asked whether the property has been offered to other State agencies to determine whether they may have a use for the property. Mr. Carcieri indicated that he does not believe that that the subject property had been offered to other State-agencies at the time the Department of Administration made its initial presentation. Mr. Jackson indicated that he just recently followed the A-95 process relative to the subject property and to his knowledge there were no objections, by other State Agencies, to the disposition of the property. Mr. Pagliarini withdrew the motion to deny and moved to table the Department of Transportation's request to convey 11,700 square feet of land located on State Street in the City of Providence designated at Plat 2264A to a future meeting. Said motion was seconded by Mr. Woolley.

Passed Unanimously

ITEM G – Department of Transportation – A request to discuss blanket approval conditions for use of Department of Transportation's properties. Mr. Carcieri indicated that the department of Transportation will not make a complete presentation regarding this request at this time. However, he provided copy of the presentation memorandum to the Committee and explained that since 1990 the Department of Transportation has issues what it refers to as

Letters of Authorization. The Letters of Authorization allow interested parties to utilize Department of Transportation controlled property for de minimis purposes such as public purposes such as clean ups and the direction of public service messages and in some cases filming. Mr. Carcieri indicated that usually participants request use of the property for a very short period time. To oblige these types of requests, the Department of Transportation has used Letters of Authorization in the past when it believes a license or lease agreement is overkill and allows the interested parties to enter onto property controlled by the Department via a Letter of Authorization. Mr. Carcieri indicated that a copy of a typical Letter of Authorization is attached to the presentation memorandum for the Committee's review. Mr. Carcieri indicated that once the Committee has had an opportunity to review the memorandum and Letter of Authorization, the Department of Transportation would like to return to the Committee to discuss the Committee's position regarding the continued use of the Letters of Authorization or whether the Department should come before the Committee for approval of formal License Agreement even for these very transitory uses of State property. Mr. Carcieri indicated that the Letters of Authorization give the Department of Transportation more flexibility to respond more quickly to meeting the deadlines of an applicant. Again, the Department believes that some of the requested uses do not merit a formal lease agree as no property interest or lease/license interest is convey. The Letters of Authorization are merely permits, which allow

the use property for a very short period of time. Mr. Carcieri stated that the Department has no position regarding this matter. The continued use of the Letters of Authorization will depend on the Committee's pleasure. However, the benefit of the Letters of Authorization is that the Department will not have to deny an applicant's request due to scheduling and time constraints. Mr. Carcieri indicated that the Department asks that the Committee review the documents provided and that it will return for further discussion regarding this matter. Mr. Griffith noted that a number of the examples involve for profit filming and indicated that such request can be extremely complicated and involve liability issues which should be addressed in a formal License Agreement. Chairman Flynn indicated that the State should implement a consistent policy relative to the use of State property for the purpose of for profit filming.

ITEM H – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement between the State of Rhode Island acting by and through the Department of Environmental Management and the Newport Rugby Club for a rugby match on August 18, 2007, and with authorization to serve alcoholic beverages. Mr. Faltus explained that this is an additional request from the Newport Rugby Club regarding permission to host a rugby match on August 18, 2007. This date was not included as part of the Newport Rugby Club's annual agreement, which was previously approved on April 3, 2007. The Newport Rugby Club has provided the Department of Environmental Management

with the necessary Certificate of Insurance for 2007; however, if this request is approved it will have to be amended to include the August 18th match. A motion was made to approve subject to the amendment of the insurance certificate and the stipulation regarding an increase in product liability insurance coverage by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement between the State of Rhode Island acting by and through the Department of Environmental Management and the City of Newport to utilize the Fort Adams State Park for the July 4th, 2007 fireworks display.

Mr. Faltus explained that this is an annual request from the City of Newport to utilize a portion of Fort Adams State Park on the 4th of July for the fireworks display with a rain date of July 5, 2007. There have been no problems associated with this event in the past. Mr. Faltus indicated that he provided a copy of the necessary Certificate of Insurance from last year. Mr. Faltus indicated that the 2007 Certificate of insurance will be issued on July 1, 2007, and he will provide the new Certificated of Insurance to the State Properties Committee upon Department's receipt thereof. Mr. Griffith asked if there have been any problems associated with the clean up of the Fort Adams State Park after this event. Mr. Faltus indicated that License Agreements contains a provision which requires the City of Newport to clean up any debris and return the park to its previous condition. Mr. Griffith asked if there is any fallout of debris into the

bay. Mr. Faltus believe there probably is, but indicated that it does not violate any rules or regulations concerning the bay. Mr. Faltus indicated that the City of Newport is also required to obtain the approval of the Coast Guard for this event. A motion was made to approve

subject to the updated Certificate of Insurance by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM J – Department of Environmental Management – A submission of updated

information regarding the outcome the Request for Proposal for the implementation of a campground reservation service for State operated campsite. Mr. Faltus indicated that the Department of Environmental Management previously appeared before the State Properties Committee with a request for approval to issue a Request for Proposals for a

campground reservation service. Mr. Faltus indicated that there were three companies that responded to the Request for Proposals. Mr. Faltus indicated that he invited Mr. Wright to attend this meeting because a committee of five (5) representatives within the Department of Environmental Management was formed to review said proposals. It was a two (2) stage process. In the first stage, each respondent's proposal was ranked and was required to earn a minimum score of

one hundred seventy (170) in order to continue on to the second stage. Two the respondent obtain the score criteria. The Department of Environmental Management invited the respondents to give formal presentation regarding their proposal. As a result of the Committee's review process, Reserve America was chosen as the successful applicant. The Department of Transportation feels that Reserve America will be the best company to provide the State's reservation service. The Department is working with the Purchasing Department to award the Request for Proposals to Reserve America. Reserve America is a nationally recognized company with contract in several other states and the National Park Service. The Department of Environmental Management currently reserves campsites through the mail at Fisherman's Memorial State Park and the campsites at other facilities are obtained through a first come first serve basis. Mr. Faltus indicated that in recent years, with the popularity of the internet and the advent of call centers, there has been increased interest in seeing Rhode Island's campsite inventory offered through a campground reservation service. Chairman Flynn clarified that the Department is not requesting approval of the successful proposal at this time. The Department is simply updating the Committee as to the selection process. Mr. Faltus indicated that the State Properties Committee previously requested that the Department of Environmental Management return to report on the finding of the Request for Proposals. Mr. Griffith commented that as gas prices are nearly \$3.00 per gallon, people do not want to risk driving any distance only to find out that there are no sites available. Mr. Griffith

asked if the George Washington site is included in this service. Mr. Faltus indicated that the George Washington, East Beach, Charleston Breachway, Burlingame and Fisherman's State Park are all included. The Committee thanked Mr. Faltus for providing the Committee with this updated information.

ITEM K – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement between the State of Rhode Island acting by and through the Department of Environmental Management and Eugene J. Pezzulli / Auto of the World, Inc. to host a charitable car show. Mr. Faltus clarified that the License Agreement does not include authorization to serve alcoholic beverages as this is a non-alcohol event and will actually take place from July 27, 2007, through and including July 29, 2007. This is the fourth year that Mr. Pezzulli has requested use of Goddard Park for a charitable car show. The proceeds from this event are allocated to the designated charities. A copy the income and expense summary from last year. Mr. Pezzulli contributed over \$2,600 to various charities including Disabled Veterans and the Make a Wish Juvenile Diabetes Association. Mr. Faltus indicated that if approved this event will be promoted as a part of the Governor's Bay Day event on July 29, 2007. A motion to approve was made subject to the Certificated of Insurance by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM L – Department of Environmental Management – This request was removed from the State Properties Agenda at the request of the

Department of Environmental Management.

ITEM M – Department of Environmental Management/Office of Air Resources – A request was made for permission to terminate a Lease Agreement between Case Mead Associates, LLC and State of Rhode Island acting through the Department of Environmental Management/Office of Air Resources for the premises located at 76 Dorrance Street in the City of Providence. Mr. Ryan explained that the premise has been leased by the Department of Environmental Management to house equipment, which monitors the air quality in this section of Downtown Providence. However, as the air quality has improved the Environmental Protection Agency is no longer requiring the State of Rhode Island to monitor the air quality in this area. Therefore, the Department of Environmental Management is requesting to terminate the Lease Agreement for said premises. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM O – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement between the State of Rhode Island and the Tiverton Land Trust over 56± acres of land located in the Town of Tiverton. Mr. Dias explained that the Tiverton Land Trust was awarded a Rhode Island Open Space Grant in 2006, in the amount of \$400,000 to purchase the Kirwin property in Tiverton, Rhode Island. The Tiverton Land Trust purchased the land from the Kirwins in June 2006 for \$646,000. The

property was appraised by Peter Scotti Appraisal Associates and valued at \$650,000. Mr. Dias indicated that the Tiverton Land Trust is eligible to receive fifty (50%) percent of the appraised value from the Open Space Grant Award in the amount of \$325,000. In addition, the Tiverton Land Trust has received a loan from the Rhode Island Natural Heritage revolving loan fund in the amount of \$250,000 to assist in the acquisition. Mr. Dias indicated that the subject property comprises 56.752 acres of land and is described as Block 118, Card 41 located on the east side of Eight Rod Way in Tiverton, Rhode Island. The Tiverton Land Trust is contributing \$71,000 toward the purchase price of the property plus the repayment of the aforementioned loan. Mr. Dias informed the Committee that the property is located within the Weetamoo Woods Natural Heritage Site designated as such because of its rare coastal oak-holly forest community. A perennial stream and significant wetlands also exist on the property. The stream is a direct tributary to Borden Brook, which flows in Nonquit Pond; a public water supply reservoir belonging to the Newport Water Authority. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM P – Veterans Memorial Auditorium – A request was made for approval of and signatures on a Sublease Agreement between the Veterans Memorial Auditorium and Newport Collaborative Architects for 6,200 square feet of office space located at the rear of the auditorium. Mr. Pagliarini indicated that he will abstain from voting relative to this request due to a potential conflict. Chairman Flynn

asked how the lease amount was determined. Ms. Greenwood indicated the lease amount was determined through two (2) professional real estate analysis by Peter Scotti & Associates conducted in 2005 and by Paramount Property conducted in 2006. Chairman Flynn asked that Ms. Greenwood submit copies of said analysis to the State Properties Committee for its review. A motion was made to approve by Mr. Griffith and seconded and seconded by Mr. Kay.

Passed Four (4) Votes Aye

Mr. Woolley

Mr. Griffith

Mr. Kay

Chairman Flynn

One (1) Abstention

Mr. Pagliarini

ITEM Q – Department of Mental Health, Retardation and Hospitals – A request was made for approval of and signatures on a ten (10) year lease renewal with an additional ten (10) year option for the Phoenix House of New England. Mr. Baccus explained that the request before the State Properties Committee was to change the current Lease Agreement between the Department of Mental Health, Retardation and Hospitals and the Phoenix House of New England, which was approved by the Committee in January of 2006, to allow two (2) buildings on the Zambarano Hospital property to be utilized by Phoenix House of New England as a substance abuse treatment facility based upon the materials that the Department of Mental

Health, Retardation and Hospitals submitted for review. Mr. Baccus indicated that the Phoenix House of New England approached the Department of Mental Health, Retardation and Hospitals and made a proposal to use a third building located in a contiguous area consisting of approximately four (4) acres of land and to develop said building to increase the substance abuse treatment capacity at the site for client served by the State of Rhode Island. The term of the original Lease Agreement was from January 2006, through November of 2015. The Department of Mental Health, Retardation and Hospitals would like permission to amend the Lease Agreement with a lease agreement which will include the use of the additional building and the four (4) acres of land. The Department of Mental Health, Retardation and Hospitals is requesting an initial term of ten (10) years with an option of an additional ten (10) years in accordance with the law so that the Phoenix House of New England can raise funds and develop the area to better serve its clients. Chairman Flynn noted that he did not have any objection to the request before the Committee; however, he had no idea that the Department was seeking permission to allow the Phoenix House of New England to utilize a building and four acres of land to expand its substance abuse treatment facility. Chairman Flynn suggested that in the future sufficient information as well as site maps or photographs be provided to the State Properties Committee. Chairman Flynn asked if the additional building will be utilized for to increase patient capacity from sixteen (16) patients to twenty five (25) patients. Mr. McEneaney indicated that the additional building will be utilized as a school the

Phoenix Houses of New England patients. Mr. McEneaney explained that on the Zambarano Campus there are three (3) former nurses residents, which were built in the 1930s. Phoenix Houses of New England occupies two of those buildings. Mr. McEneaney indicated that one of the buildings houses sixteen (16) young boys who are part of the Department of Mental Health, Retardation and Hospitals contract. In the other building, which the Phoenix Houses of New England renovated itself, at a cost of \$200,000, there are five (5) shelter beds and five (5) beds for the Department of Children Youth and Families. The third building is across the street and is absolutely uninhabitable. The building has no windows, no doors, no plumbing or electricity.

The Phoenix Houses of New England has raised \$1,000,000 to renovate the building to be utilized as a school to serve the twenty (25) children. Mr. Griffith asked if the set buildings located near the water tower are the buildings being discussed.

Mr. McEneaney indicated those are the buildings being discussed. Mr. Pagliarini asked if the Burrillville Planning Department has been informed of the proposed expansion. Mr. McEneaney indicated that the Burrillville Planning Department has been notified. Mr. McEneaney indicated that the proposed school will be a state of the art facility. Mr. McEneaney indicated that the Phoenix Houses of New England with the help of the Department of Mental Health, Retardation and Hospitals has gone through all the required procedures to obtain permission to renovate this building. Chairman Flynn asked if the renovated building will house twenty-five (25) additional children. Mr.

McEneaney indicated that the building will only be utilized as a school; none of the children will actually live in the building. Chairman Flynn asked what the nature of the street separating the buildings is. Mr. McEneaney indicated that it is actually more of a court yard than a street. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith. Mr. Pagliarini asked that a letter of clarification and a site map be provided to the State Properties Committee for its records. Mr. Baccus indicated that he will gladly provide a letter of clarification and a site map and photographs of the building and surrounding four (4) acres of land.

Passed Unanimously

ITEM R – Department of Transportation – A request was made for conceptual approval to offer 28,287 square feet of property bounded by Belvedere Drive, Evans Way, Glen Hills Drive and Primary Route 37 in the City of Cranston at public sale.

Mr. Jackson explained that on November 22, 2005, the Department of Transportation received conceptual approval to convey the subject property. Mr. Jackson began by reading the portion of the November 22, 2005 meeting minutes which consists of the final decision of the Committee relative to the subject property. Mr. Jackson indicated that the Committee recommended that the Department of Transportation offer the subject property for sale via the public bid process. Mr. Jackson the public bid process was delayed because the property had to be surveyed due to some discrepancies regarding the abandoned streets. Mr. Jackson indicated that the survey is complete and the Department of Transportation is ready to solicit

bids at this time. Chairman Flynn clarified that the initial request was to sell the subject property to the abutter; however, the decision has been made to sell the property on the market. Mr. Jackson indicated that is correct. Chairman Flynn asked if the property is a buildable lot. Mr. Jackson indicated that the property is zoned as 8,000 square feet and actually comprises three (3) buildable lots; however, the appraisal indicates that it would be more appropriate as two (2) buildable lots. A motion was made to offer the property for sale via the public bid process by Mr. Griffith and seconded by Mr. Woolley.

Passed Four (4) Votes Aye

Mr. Woolley

Mr. Griffith

Mr. Kay

Chairman Flynn

One (1) Vote Nay

Mr. Pagliarini

ITEM S – Department of Human Services – A request was made for permission for an extension of the current sublease for a period of two (2) months with the Greater Providence County YMCA. Ms. McCarthy-Tuohy. Chairman Flynn recused himself from voting relative to this item as he is on the Board of Directors for the Greater Providence YMCA. Ms. McCarthy Tuohy explained this is a request concerns a childcare facility, which currently operates at the Greater

Providence Regional Family Center. Ms. McCarthy Tuohy indicated that the facility leased by the State of Rhode Island and is the form Jake Kaplan building. Ms. McCarthy Tuohy indicated that a number of months ago she and Ms. Barclay previously appeared before the State Properties Committee requesting permission to go out to a new request for proposals to continue to provide continue to provide a daycare facility at the Greater Providence Regional Family Center. Ms. McCarthy Tuohy indicated that the request for proposal is in process; however, due to some unforeseen delays, the Department of Human Services is before the Committee to request an extension of the Lease Agreement with the Greater Providence YMCA for a period of two (2) months. The Department of Human Services believes that within that period of time it will be able to receive and review the responses to the request for proposals through the Division of Purchasing. A committee has been formed to review the responses and the Department of Human Services will return to the State Properties Committee for to award the successful proposal. Mr. Griffith asked if the Department of Human Services is satisfied that a two month period of time will be sufficient to complete the request for proposals and to transfer operation to a different vendor. The request for proposals' submission deadline in July 10, 2007, and the childcare coordinator has indicated that generally the Department receives anywhere between three (3) to five (5) responses to this type of request for proposal. Mr. Barclay indicated that indicated that the review committee has been formed and is in place the Department will be prepared to review the responses immediately. Ms. Barclay

informed the State Properties Committee that the Greater Providence YMCA sent a letter to the families of the children who attend the daycare informing them that it will no longer be providing the infant daycare service at the Greater Providence Regional Family Center. The Department of Human Services also sent a letter to the families informing them that there will be a two (2) week period between the expiration of the Greater Providence YMCA's contract and the commencement of the new provider's contract. The letter also indicated that the Department of Humans Services is hoping that the new provider will hire some of the former employees of the Greater Providence YMCA to make the transition that much easier. A motion was made to approve by Mr. Pagliarini and

seconded by Mr. Woolly.

Four (4) Votes Aye

Mr. Griffith

Mr. Woolley

Mr. Kay

Mr. Pagliarini

Chairman Flynn Recused Himself

ITEM T – Department of Transportation – A request was made for approval of and signatures on a License Agreement between the Department of Transportation and the City of Newport for utilization of four (4) acres of State-owned property located within Route 138

Interchange for Tall Ships Parking from June 27, 2007, through July 1, 2007. Mr. Harris thanked the State Properties Committee for including this item on the agenda after the submission deadline. Mr. Harris also thanked the Department of Attorney General for there review of the License Agreement on such short notice. Mr. Harris indicated that the for years the Department of Transportation has allowed the City of Newport permission to utilize a number of State owned properties for the Tall Ships Celebration. Mr. Harris indicated that the Department of Transportation has cleanup the property and installed some ramps to ensure that the general public has access to parking for this event. The property is located directly adjacent to the Newport Bridge making it an ideal location for parking. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

There being no further business to come before the State Properties Committee, a motion was made to adjourn by Mr. Griffith and seconded by Mr. Woolley. The meeting was adjourned at 12:24 p.m.

Passed Unanimously

Holly Rhodes, Executive Secr